

## Message Text

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ACTION AF-08

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E.O. 11652: N/A  
TAGS: ENRG, BENC, NI  
SUBJECT: BRIEF ROUNDUP OF TRADE OPPORTUNITIES IN NIGERIA'S  
ENERGY SECTOR

### 1. BEGIN UNCLASSIFIED. HYDROELECTRIC POWER.

A. INVITATIONS TO PREQUALIFY FOR CIVIL WGRKS AND EQUIPMENT  
SUPPLY FOR THE 600 MW SHIRORO HYDROELECTRIC PORJECT HAVE BEEN  
ISSUED BY THE AMERICAN CONSULTANT, CHARLES T. MAIN OF BOSTON.  
TENDERS WILL BE INVITED IN EARLY 1&77, AND CONTRACTS AWARDED  
TOWARD THE END OF THE YEAR. CONSTRUCTION IS SCHEDULED TO BEGIN  
IN 1978 WITH COMPLETION IN FOUR YEARS.

B. MONTREAL ENGINEERING OF CANADA HAS COMPLETED A  
FEASIBILITY STUDY FOR ANOTHER LARGE HYDRO PORJECT AT JEBBA (ON  
THE NIGERI RIVER) AND WILL PROBABLY BE AWARDED THE DESIGN  
CONSULTING CONTRACT. TENDERS ON THIS PROJECT SHOULD BE ISSUED  
IN 1978. THE TARGET FOR COMPLETION IS 1984.

C. FURTHER INTO THE FUTURE, MOTOR COLUMBUS OF  
SWITZERLAND HAS WON CONTRACTS TO DO PRELIMINARY SITE  
SURVEYS (TO BE COMPLETED WITHIN TWO YEARS) FOR POSSIBLE  
HYDRO PROJECTS AT LOKOJA (AT THE CONFLUENCE OF THE NIGER  
AND BENUE RIVERS), MAKURDI (ON THE BENUE) AND IKOM (ON A  
TRIBUTARY OF THE BENUE NEAR THE CAMEROON BORDER. ONE AND  
POSSIBLY TWO OF THESE SITES WILL BE SELECTED FOR A PROJECT.

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MOTOR COLUMBUS WILL GET THE DESIGN CONSULTANCY FOR ONE.

D. WITHIN THE NEXT SIX MONTHS, INVITATIONS TO PRE-QUALIFY FOR CIVIL WORKS, AND THE SUPPLY OF TURBINES, GENERATORS, TRANSFORMERS AND SWITCHYARD EQUIPMENT WILL BE ANNOUNCED IN CONNECTION WITH TWO SMALLER HYDRO POWER-CUM-IRRIGATION PROJECTS, ONE OF 60 MW ON THE GONGOLA RIVER (EAST OF JOS) AND ANOTHER OF 90 MW ON THE MADA RIVER (SOUTHWEST OF JOS).

2. THERMAL POWER.

A. THE 720 MW SAPELE THERMAL PLANT IS NOW UNDER CONSTRUCTION. SHAWMONT ENGINEERING (WHO DESIGNED THE TRANSMISSION LINES FROM KAINJI TO SOKOTO AND NIAMEY) ARE THE DESIGN CONSULTANTS. THE NIGERIAN ELECTRIC POWER AUTHORITY (NEPA) IS ALSO CURRENTLY CONDUCTING SITE SURVEYS FOR A SECOND DUAL FUEL TURBINE-BOILER-STEAM CYCLE THERMAL POWER PLANT SIMILAR TO THE ONE AT SAPELE, OF APPROXIMATELY 600 MW. THIS IS INTENDED TO BE ON LINE BY 1981, AND LAGOS IS THE LIKELY SITE.

B. SMALLER DUAL FUEL THERMAL PLANTS OF 200 TO 300 MW CAPACITY ARE ALSO BEING CONSIDERED FOR DIRECT SUPPORT OF STEEL ROLLING MILLS. NO FIRM PLANS HAVE BEEN MADE.

3. NUCLEAR POWER.

A. NUCLEAR POWER MAY ALSO PLAY A PART IN THE FUTURE OF NIGERIA'S ENERGY SECTOR. THE FEDERAL MILITARY GOVERNMENT (FMG) HAS HELD PRELIMINARY TALKS WITH THE FEDERAL REPUBLIC OF GERMANY AND WEST GERMAN FIRMS. MOTOR COLUMBUS WAS APPOINTED BY NEPA TO DO A PRELIMINARY SITE SURVEY WHICH IS DUE BY THE END OF 1976. MOTOR COLUMBUS WOULD PROBABLY BE AWARDED THE DESIGN CONSULTANCY IF NEPA AND THE FMG DECIDE TO GO AHEAD WITH THE PROJECT.

4. TRANSMISSION LINES.

A. NEPA HAS RECENTLY AWARDED TWO CONTRACTS FOR 600 MILES OF 330 KV TRANSMISSION LINE LINKING LAGOS WITH SAPELE AND KANO WITH JEBBA TO ITALIAN FIRMS. MOTOR COLUMBUS WAS THE CONSULTANT. TWO SMALLER CONTRACTS FOR A TOTAL OF APPROXIMATELY 150 MILES OF 330 KV TRANSMISSION LINE, LINKING BENIN WITH THE AJAOKUTA STEEL MILL AND ONITSHA WITH ENUGU, WILL BE OPEN FOR BIDDING WITHIN THE NEXT SIX MONTHS. THESE SHOULD BE WORTH LIMITED OFFICIAL USE

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APPROXIMATELY 20 MILLION DOLLARS. C.T. MAIN IS PURSUING CONSULTANCY CONTRACT. END UNCLASSIFIED.

5. BEGIN LIMITED OFFICIAL USE. CHARLES T. MAIN REPRESENTATIVE INFORMED EMBASSY HE HAS BEEN UNOFFICIALLY NOTIFIED HIS FIRM WILL BE AWARDED DESIGN CONSULTANCY CONTRACT FOR EITHER MADA OR GONGOLA PROJECT. C.T. MAIN WILL WORK WITH OTHER LOCAL US FIRM LOUIS BERGER. BERGER HAS ALREADY DONE CORE DRILLING

FOR MAIN ON SHIRORO PROJECT. (BERGER FIRM DESIGNED JEBBA BRIDGE, IS DOING DESIGN WORK ON KADUNA-ZARIA DUAL HIGHWAY, AND IS CONSULTANT ON TOTAL OF ABOUT 300 MILLION DOLLARS WORTH OF ROAD BUILDING IN NIGERIA.) US EQUIPMENT SUPPLIERS AND ENGINEERS MAY WISH TO MAKE DISCREET INQUIRIES AT MAIN'S US OFFICES. SHAWMONT ENGINEERING ALSO ACTIVELY PURSUING ONE OF THESE CONTRACTS.

6. C.T. MAIN REPRESENTATIVES CONCERNED THAT THEY MAY BE FORCED ON SHIRORO PROJECT TO PREQUALIFY LOCALLY CONNECTED FIRMS WHO WOULD OTHERWISE NOT BE QUALIFIED. MAIN RECEIVED NOTE FROM HEAD OF NEPA REQUESTING THEM TO PREQUALIFY ENERGOPROJEKT OF YUGOSLAVIA WHICH HAS JOINT VENTURE HERE 60 PERCENT OWNED BY FMG. MAIN AWARE THAT ENERGOPROJEKT CANCELLED OUT IN PANAMA PROJECT AND IS TWO YEARS BEHIND ON ONE IN COLOMBIA. MAIN WORRIED ABOUT PRESSURES, BUT HAS SO FAR TOLD NEPA THAT SINCE FMG SCHEDULE IS SO TIGHT, ONLY THE BEST FIRMS WILL DO.

7. ANOTHER MINOR PROBLEM MAIN RUNNING INTO IS SOMEWHAT SLOW PAYMENT OF INVOICES. DELAY CAUSED MAINLY BY MINISTRY OF FINANCE PROCESSING BACKLOG. SOME INVOICES FIVE TO SIX MONTHS OVERDUE. HOWEVER, MAIN OFFICIALS FEEL THERE HAVE BEEN NO SERIOUS PROBLEMS FOR THEM SO FAR IN NIGERIA AND ARE PLEASED WITH ATTITUDE AND PERFORMANCE OF NEPA.

8. C.C. MAIN REPRESENTATIVE ALSO TOLD EMBOFF THAT ONE OF REASONS IT HAS BEEN SO DIFFICULT TO IMPROVE POWER SITUATION IN BLACKOUT PLAGUED LAGOS IS THAT NEPA AND THE NIGERIAN PORTS AUTHORITY LONG AGO HAD SOME KIND OF PERSONAL FALLING OUT, AND NOW THE NPA WILL NOT GRANT PRIORITY BERTHING TO SHIPS CARRYING CRITICALLY NEEDED EQUIPMENT FOR NEPA. C.T. MAIN OFFICIAL SAID ONE SHIPMENT OF CABLE AND TRANSFORMERS FOR LAGOS HAD RECENTLY BEEN UNLOADED AFTER SITTING IN LIMITED OFFICIAL USE

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HARBOR FOR SEVEN MONTHS. HE HAS HIMSELF QUERIED NEPA ABOUT SHIPPING ARRANGEMENTS FOR EQUIPMENT WHICH WILL BE ARRIVING NEXT YEAR FOR SHIRORO GORGE PROJECT, AND WAS TOLD FLATLY THAT NEPA WOULD BE UNABLE TO GET PRIORITY BERTHING RIGHTS FROM NPA. PROSPECTIVE EQUIPMENT SUPPLIERS WILL HAVE TO TAKE THIS POTENTIALLY SERIOUS BOTTLENECK INTO ACCOUNT IN ANY COMMITMENT THEY MAY UNDERTAKE FOR LOGISTICS AND DEMURRAGE PAYMENTS.

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